

issues. We need to have in that department qualified people who understand business, who understand all the aspects of the tax laws, who understand accounting and its application to business, understand state and federal statutes, understand exemptions and God knows in the next year or two, if we continue down the present route, there are going to be a multitude of exemptions. I would suggest that we ought to try to take a look at this amendment. Certainly they ought to be able to generate more money than what they are spending and they may well be able to generate many, many times as much money as it is costing us. In fact, the very presence of those individuals in the department, highly qualified individuals, ought to, by golly, bring about a higher degree of...

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...conformance with the law. I do not know where the break even point is, but if I am to listen correctly and I believe I did to Senator Vard Johnson, Governor Orr agrees, there may need to be some additional funds in this area. I think that we have to recognize that there are several ways of balancing a budget. One is just go out and raise sales tax and income tax and forget about it, voluntary compliance, we all send in our reports and that's it. The other way is to use the fee method which we are using in some instances. Another way, of course, when we talk about building a budget or tearing it down, is by the exemption process and we've seen some of that. But there is another way and that is the method whereby you ascertain that all of the tax that is owed to the state is in fact collected. The vast majority of taxpayers are no doubt honest, but there are some who are not and then there are some areas of...

SPEAKER BARRETT: Time.

SENATOR SCHMIT: ...debate as to whether or not the tax is owed. I think we ought to support the amendment at this point.

SPEAKER BARRETT: Thank you, sir. Senator Moore.

SENATOR MOORE: Mr. Speaker, I move we recess until one-thirty.

SPEAKER BARRETT: You've heard the motion to recess. Anything for the record, Mr. Clerk?

CLERK: Mr. President, new A bill, LB 163A by Senator Abboud